
GUEST EDITORIAL

THE MEHARRY HUBBARD AND NASHVILLE GENERAL HOSPITAL MERGER PROPOSAL STATEMENT

David Satcher, MD, PhD
Nashville, Tennessee

Meharry Medical College has formally proposed to the Nashville Metropolitan Board of Hospitals the phasing out of patient care at Nashville General Hospital within the next 2 years and the transfer of patients to Meharry Hubbard Hospital. The city of Nashville would enter into a long-term lease, at one dollar per year, for the use of Meharry Hubbard for patient care. The city would retain responsibility for managing care provision and would continue to contract with Meharry and Vanderbilt for physician services, as it has done since 1985. The relative role of Meharry physicians would increase and become predominant during a transitional period, but Vanderbilt would continue to be involved.

If adopted, this proposal, we believe, will be of great benefit to both the city and Meharry Medical College. The need for major renovations to or for the complete rebuilding of Nashville General Hospital has been acknowledged by the city since the early 1970s. By obviating that need, the merger will save the city more than \$50 million in construction costs. In addition, economies of scale resulting from the merger will, we project, save the city more than \$3 million per year in operational costs. These projections are supported by the analysis of a major national hospital consulting firm.

For Meharry Medical College, the merger will mean the end of a financial drain associated with its historic mission, which is to provide professional education in the context of health care for the poor. The school's

effectiveness in performing that mission will thereby be strengthened.

We have spelled out these benefits in detail in our proposal and in other materials submitted to the subcommittee of the board of hospitals charged with studying the proposal.

What we have not spelled out in quite such explicit detail is a very real opportunity of another kind presented by this proposal. In a city with a long history of racial segregation, the merger of these two hospitals—one predominantly black, the other predominantly white—will provide a powerful demonstration that the segregationist legacy of the past has been left behind.

In submitting this proposal to the city of Nashville, we at Meharry cannot help but recall how difficult and painful the long relationship between this city and this institution has been. Meharry was founded in 1876, and Nashville's first city hospital was built in 1890. When, 3 years later, Meharry requested access to the hospital for the purpose of medical education, the request was denied. It would be denied many times in the next 90 years.

In 1910 Meharry Medical College began construction of its own hospital, named after George W. Hubbard, the school's first dean and president. From the beginning, Hubbard Hospital provided care principally to poor black patients. In 1931, Meharry moved from south Nashville to north Nashville, adjacent to Fisk University, and Hubbard's patient population continued to be primarily black and poor.

In 1948, with more than half of Hubbard's patients unable to pay for their care, Meharry's financial situation reached such a point of crisis that the school's board of trustees voted to close the hospital. In response, the Nashville city council met the next day in

From the Meharry Medical College, Nashville, Tennessee. Requests for reprints should be addressed to Dr David Satcher, Office of the President, Meharry Medical College, 1005 D.B. Todd Boulevard, Nashville, TN 37208.

emergency session and requested that Meharry continue to operate Hubbard so that poor and black patients of Nashville could continue to receive care. The city promised to reimburse Meharry henceforth for indigent care.

Thus did Meharry embark on a long-term relationship with the city, one that has been turbulent from the beginning. Never coming close to living up to its commitment, Nashville has reimbursed Meharry for less than 20% of the indigent care provided at Hubbard Hospital.

In the early 1970s, Meharry, with federal support, launched an expansion of Hubbard from 200 to 400 beds. In the wake of Medicare and Medicaid, it was anticipated that a national program of universal health coverage would be forthcoming; however, even before the expansion was completed in 1975, it was obvious that the nation was retreating from any commitment to universal access to care. Concerned about the cost of maintaining a 400-bed facility and aware of city concerns about the deterioration of Nashville General, Meharry proposed in October 1975 that the city lease Hubbard for the care of Nashville's indigent. In exchange, the city would contract with Meharry for physician services and take over the hospital mortgage. A task force appointed by the Nashville General hospital board concluded after a year of study that, although Nashville General Hospital was deteriorating, it could probably last until 1980. The task force expressed the view that the city neither needed nor could afford a 400-bed hospital, given the cost of its mortgage. It also manifested concern about the effect of the proposed agreement on Vanderbilt, which had been providing physician services in Nashville General for 40 years. The task force finally recommended that Meharry share the provision of physician services with Vanderbilt in the context of its residency training program.

The board accepted the task force's recommendation not to lease Hubbard Hospital. It did not accept the proposal to allow Meharry access to Nashville General. In 1981 Mayor Richard Fulton appointed a committee to recommend changes in the provision of health care in Nashville. The committee recommended that Nashville General Hospital be closed and its patients sent to Meharry and Vanderbilt. Mayor Fulton never acted on the proposal, and meanwhile Meharry escalated its efforts for access to Nashville General. Finally, in January 1985, the Metropolitan Board of Hospitals voted to allow a shared access program for Vanderbilt and Meharry beginning that July. As a result, during the

past 4 years, Meharry has supplied an increasing number of faculty and residents to Nashville General and now provides one third of the staff. Response to the shared access agreement has been overwhelmingly positive.

The success of this relationship and the continued deterioration of Nashville General spurred us to propose in December of 1988 that indigent care services be consolidated at Meharry Hubbard. With the federal government having assumed Hubbard's mortgage, the city would no longer need to be concerned about a cost that had proved worrisome earlier.

A task force appointed by the Metropolitan Board of Hospitals quickly set about evaluating Meharry's proposal. It requested detailed information, made many site visits, and held 10 public meetings over a 6-month period. On May 25, 1989 the task force determined that Meharry's proposal was financially highly advantageous for the city: it would result in savings from the very start and would save more than \$2 million annually by year 3. The task force also found that the quality of care could be maintained and even enhanced.

The task force therefore recommended that the city hire a merger consultant to move the process ahead. It also recommended that Meharry and Vanderbilt be asked to develop a detailed medical staff implementation plan and that the local American Medical Association chapter be asked to monitor the plan for quality of care.

The task force made its presentations to the full hospital board on June 26. Given the considerable effort devoted to this study, it was reasonable to anticipate that it would be adopted. Instead, the board tabled the proposal and asked that a consultant be hired to verify financial data. At the same time, the board asked Meharry and Vanderbilt to develop a medical staffing plan.

The office of the mayor has selected the firm of Ernst and Young to conduct the financial study, which, we expect, will be completed by the end of October. Given the amount of care devoted to this issue already, we have every reason to be confident that the consultant will find clear financial benefits for Nashville in this proposal.

This confidence notwithstanding, some nervousness about the ultimate fate of the Meharry proposal is inevitable in view of Nashville's long history of hostility toward Meharry. Not only was Meharry barred from the publicly funded city hospital for more than 90 years, but it was excluded from Nashville's Veterans Administration (VA) hospital, built on Vanderbilt's

campus in the late 1940s. The exclusion of Meharry from these two facilities has probably cost the institution more than \$100 million. Thus, there is great concern within the city's black community that every opportunity will be found to delay and defeat Meharry's proposal.

This concern remains strong even though Meharry is probably better equipped today than it has ever been to carry out its mission. During the 1980s the school has raised its academic standards and instituted programs to help its students meet those standards. It has successfully completed one of the most ambitious fund-raising campaigns in its history. It has quadrupled its research funding and today boasts major centers in nutrition and sickle cell disease as well as a clinical research center. Congress has enacted legislation designating Meharry a national center of excellence for the training of black health care professionals. Faculty drawn from a growing national pool of physicians have brought new talent to our clinical programs.

Inevitably, Meharry has been adversely affected by its long history of exclusion. It would be a far different institution had it gained admission to Nashville General and the Nashville VA Hospital decades ago. Still, encouraging progress has been made, and Vanderbilt—

which has long reaped the benefits of public health care funding in Nashville—stands ready to participate in the clinical programs of the hospital that would emerge from Meharry's proposal.

The city of Nashville spends about \$15 million a year for the care of indigent patients. If it invested that money in the care of patients at Meharry Hubbard Hospital, this would be a major contribution to a historically black institution and to a historically black community. Indeed, a community that has been stagnating for decades would begin to be revitalized. Also, the quality and efficiency of care provided to indigent patients could be significantly enhanced.

Thus, a rare opportunity is at hand for the city of Nashville, an opportunity not only to act in its own best interest, but to do what is right.

Over the past few months several major out-of-town newspapers have had stories about Meharry's proposal—*The New York Times*, *The Atlanta Constitution* and *Journal*, *The Los Angeles Times*. Why are newspapers across the country interested in this proposal? Clearly, it is because more is at stake here than the details of a hospital merger. A fundamental moral issue is involved as well, and Nashville's response will say much about the future of this city.